

SIDE LETTER AGREEMENT BETWEEN THE CITY OF MOUNTAIN VIEW
AND THE EAGLES

EQUITY STUDY

Equity adjustments, if any, for benchmark positions on which the City and EAGLES have met and conferred and approved by the City Council, will be approved no later than March 31, 2008. See Appendix A for benchmark classifications.

The following methodology shall be used for purposes of reviewing and implementing equity adjustments, if any:

The City shall provide EAGLES with a copy of the total compensation surveys no later than November 1, 2007 and February 1, 2010.

Survey Agencies: Campbell, Cupertino, Los Altos, Milpitas, Palo Alto, Redwood City, San Leandro, San Mateo, Santa Clara, Sunnyvale. Fremont and Hayward may be used for comparison purposes if a comparable position is not found in at least five of the above jurisdictions

Survey Components: Minimum and Maximum Base Salary, PERS EPMC, Max+ EPMC, PERS Agency Rate (less employee contributions, if any), Deferred Compensation, Medical (Employer Share of the Highest Family Rate HMO), Vision, Dental, Life, LTD, Retiree Health (Employer Share of the Highest Single Rate HMO), Total Compensation, Salary Effective Date and Next Increase. See Appendix B.

Mountain View Survey Components: Maximum base salary used will be 108% for management classifications and 105% for professional classifications



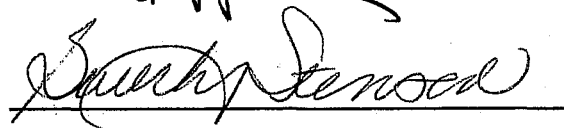
Adjustments: The City and EAGLES shall meet and confer between November 1, 2007 and January 1, 2008 in regard to equity adjustments. Appropriate adjustments, if any, shall be effective the first pay period beginning January 2008. In situations where a total compensation survey shows that a classification is above the market where a lowering of the salary occurs, the affected employee's salary may be frozen ("Y" Rated).

The City and EAGLES are committed to reviewing total compensation survey data for benchmark positions using the criteria noted above. The parties understand that this methodology has not been approved by the City Council as part of the agreement provisions approved by Council Resolution on December 12, 2006.

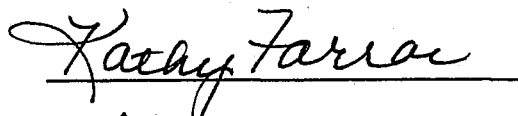
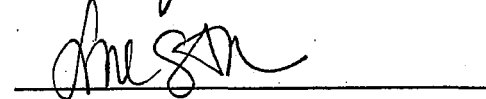
SALARY COMPACTION MEETING

If an issue arises related to matters of compaction of salaries in this unit, The City will, upon advanced notification from EAGLES' representatives, meet to discuss the matter.

EAGLES

CITY OF MOUNTAIN VIEW

DATED: _____

May 11, 2007